

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the June 11, 2021 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy (KOAP), 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
Office of the State Veterinarian- 109 Corporate Drive- Frankfort, KY
June 11, 2021**

Call to Order

Commissioner of Agriculture Dr. Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:03 a.m. (EDT).

Roll Call

The following members were present: Tim Hughes (Commissioner of Agriculture Dr. Ryan Quarles designee), Wayne Hunt, Larry Jagers, and Jonathan Noe. The following participated by teleconference: Billy Aldridge (Secretary Holly Johnson designee), Doug Lawson, Frank Penn, Linda Rumpke, and Mac Stone.

Members absent: Dr. Kenny Burdine and David Rink

Notification of Media

Mr. Hughes received verification from Milinda Sosby, Boards and Special Events Manger, that the media had been notified of the KAFC board meeting.

Welcome

Mr. Hughes welcomed everyone to the first KAFC hybrid meeting.

Approval of Minutes

Mr. Hughes entertained a motion to approve the minutes of the May 14, 2021.

Mr. Hunt moved to approve the minutes, as presented; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Hughes called on Mr. Brian Lacefield, KOAP Executive Director, to report to the board.

Mr. Lacefield reported the transition to the KY Department of Agriculture with SB 3 is continuing to go smoothly. Mr. Lacefield reported he and staff have been traveling the state being involved in various meetings and doing on site visits. Mr. Lacefield introduced two new staff members: Sarah Bryant, KADF Programs Manager and Nick Van Over, Compliance Manager. The two new interns were also introduced: Haley Nelson and Logan Bechanan.

Deputy Executive Director's Report

Commissioner Quarles called on Mr. McCloskey, KOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of June 1, 2021.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of June 6, 2021.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of May 31, 2021.

K AFC Statement of Financial Position	
As of May 30, 2021	
Assets	
Cash K AFC Accounts	\$ 15,992,190
Loan Payments Due K AFC	
Category A	\$79,808,124
Category B	\$
Category C	\$
	\$ 79,808,124
Total Assets	\$ 95,800,134
Liabilities	
K AFC loans approved not closed	\$ 9,510,479
Principal Outstanding	\$ 79,808,124
	\$ 89,318,603
Total Liabilities	\$ 89,318,603
Unobligated Assets	\$ 6,481,711
Total Liabilities & Unobligated Assets	\$ 95,800,314

Mr. Jagers moved to accept the K AFC financial report; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Mr. Hughes called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated that the loans reviewed would be discussed in order of the agenda.

New Business

Mr. Hughes called on Lindsay Bates and Ali Hulett to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF21-0042 Fawbush, Sydney

The applicants requested \$50,000 for the construction of hay, equipment and cattle barn in Laurel County. Central Kentucky ACA in Richmond, KY is the participating lender. This loan was referred to the Loan Review Committee.

The Loan Review Committee recommended to approve the request, with loan-to-value no greater than 85% without an FSA guarantee on CKACA and K AFC funds, or with combined loan-to-value no greater than 100% with a 90% FSA guarantee.

Ms. Rumpke moved to approve the committee recommendation, as presented, pending availability of funds; Mr. Penn seconded the motion.

VOTE Motion Passed; Mr. Noe abstained.

AF21-0047 Barton, Christopher

The applicants requested \$100,000 for the construction of two (2) Tyson layer barns in Allen County. Farm Credit in Glasgow, KY is the participating lender.

Staff recommended approval, with combined loan-to-value no greater than 85% and aggregate K AFC balance not to exceed \$150,000 at time of closing.

Mr. Noe moved to approve the staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF21-0045 Roberts, Craig

The applicants requested \$200,000 for the construction of a 200,000 bushel grain bin in Caldwell County. Independence Bank in Providence, KY is the participating lender.

Staff recommended to approve the request, with combined loan-to-value no greater than 85%.

Mr. Hunt moved to approve the staff recommendation, as presented, pending availability of funds;
Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF21-0040 Mahaney, Corey

The applicant requested \$100,000 for the purchase of 41 acres in Warren County. South Central Bank of Barren County in Glasgow, KY is the participating lender.

Staff recommended to approve the request, contingent upon the approval and obligation of a 95% FSA guarantee on South Central Bank and KAFC funds, with combined loan-to-value no greater than 100%.

Mr. Jagers moved to approve the staff recommendation, as presented, pending availability of funds;
Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

AF21-0041 Ball, Jacob

The applicant requested \$65,000 for the purchase of 70 acres in Breckinridge County. Farm Credit of Mid-America in Hardinsburg, KY is the participating lender.

This application was withdrawn and no action is necessary.

AF21-0043 Moore, Dustin

The applicants requested \$250,000,000 for the construction of two (2) Cobb-Vantress breeder barns in Lincoln County. Central Kentucky ACA in Stanford, KY is the participating lender.

Staff recommended to approve the request, contingent upon the approval and obligation of a 95% FSA guarantee on CKACA and KAFC funds, with combined loan-to-value no greater than 100%.

Mr. Jagers moved to approve the staff recommendation, as presented, pending availability of funds;
Mr. Penn seconded the motion.

VOTE: Motion Passed; Mr. Noe abstained.

AF21-0044 Pyles, Heather

The applicants requested \$137,643.50 for the purchase of 115 acres in Wayne County. Farm Credit of Mid-America in Somerset, KY is the participating lender.

Staff recommended to approve the request, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds, with combined loan-to-value no greater than 100%.

Mr. Aldridge moved to approve the staff recommendation, as presented, pending availability of funds; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF21-0046 Totman, Nathan

The applicant requested \$130,000 for the purchase of 105 acres in Mercer County. Central Kentucky ACA in Danville, KY is the participating lender.

Staff recommended to approve the request, contingent upon the approval and obligation of a 90% FSA guarantee on CKACA and KAFC funds, with combined loan-to-value no greater than 100%.

Mr. Penn moved to approve the staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Mr. Noe abstained.

Old Business:

Mr. Hughes called on Ms. Bates and Ms. Hulett to present the following modifications and extensions.

Modifications

AF19-0073 Halcomb, John

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a three (3) month time extension to allow documents to be finalized. The new expiration date would be September 11, 2021. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended to approve the request and give the applicant a six (6) month extension for documents to be finalized. The new expiration date would be December 11, 2021.

Mr. Hunt moved to approve the committee recommendation, as presented; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF19-0121 Anderson, Jesse

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a six (6) month time extension to allow for construction to be completed. The new expiration date would be January 11, 2022. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended to approve the request for the six (6) month time extension.

Mr. Aldridge moved to approve the committee recommendation, as presented; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Hughes informed the board the next meeting will be Friday, July 16, 2021 at 10:00 a.m. CDT.

Adjournment

There being no additional business or discussion, Mr. Hughes entertained a motion to adjourn the KAFC Board meeting.

Mr. Noe moved to adjourn the June KAFC board meeting; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 10:52 a.m. EDT.

APPROVED DATE: July 16, 2021

PRESIDING OFFICER: Tim Hughes (Designated Proxy)
Tim Hughes (Designated Proxy)

BOARDS COORDINATOR: Milinda Sosby
Milinda Sosby

Loan Review Committee

Meeting Minutes



Meeting Date:	June 11, 2021
Meeting Location:	Kentucky Department of Agriculture, Hybrid Zoom Conference, Meeting ID: 938 8732 1221
Meeting Chair:	Linda Rumpke
Attendees:	Jonathan Noe, Larry Jagers, Tim Hughes, Wayne Hunt, Doug Lawson, Linda Rumpke, Frank Penn Staff: Ali Hulett, Bill McCloskey, Milinda Sosby, Brian Murphy, Brian Lacefield, Lindsay Bates, Nick Van Over, Logan Bechanan, Sarah Bryant, Lee McIntosh Guests: Chris Cooper
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	9:30 AM EDT
Meeting Adjourned:	9:38 AM EDT

Agenda Items:

New Business

1. Review of AF21-0042—Fawbush, Sydney
 - a. On behalf of Mr. Fawbush, the loan officer requested an exception to the 600 or below credit score guideline.
 - b. Recommended approval as presented, with loan-to-value no greater than 85% without an FSA guarantee or 100% with a 90% FSA guarantee.
 - c. Motion passed unanimously.